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**HOUSE BILL 19**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005**

**INTRODUCED BY**

**Ben Lujan**

**AN ACT**

**PROVIDING A REBATE FOR A PORTION OF TAXES IMPOSED FOR THE 2005  
TAXABLE YEAR; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. A new section of the Income Tax Act is enacted  
to read:**

**"[NEW MATERIAL] TAX REBATE--2005 TAXABLE YEAR. --**

**A. Except as otherwise provided in this section,  
any resident who files an individual New Mexico income tax  
return and who is not a dependent of another individual is  
entitled to a tax rebate during the 2005 taxable year for a  
portion of state and local taxes to which the person has been  
subject during the 2005 taxable year, even if the resident has  
no income taxable pursuant to the Income Tax Act.**

**B. For the purposes of this section, the total**

1 number of exemptions for which a tax rebate may be claimed or  
 2 allowed is determined by adding the number of federal  
 3 exemptions allowable for federal income tax purposes for each  
 4 individual; provided that, in the case of a husband and wife  
 5 who have filed a joint return where only one individual is a  
 6 New Mexico resident, the number of exemptions shall be reduced  
 7 by one.

8 C. Except as otherwise provided in Subsection D of  
 9 this section, the tax rebate provided for in this section is  
 10 allowed for the amount shown in the following table:

11 Adjusted Gross And the total number of exemptions is:

12 Income is:

| 13 Over | 14 But Not Over | 15 1  | 16 2  | 17 3  | 18 4  | 19 5  | 20 6 or more |
|---------|-----------------|-------|-------|-------|-------|-------|--------------|
| \$0     | \$10,000        | \$130 | \$170 | \$205 | \$235 | \$260 | \$280        |
| 10,000  | 20,000          | 115   | 150   | 180   | 205   | 225   | 240          |
| 20,000  | 35,000          | 100   | 130   | 155   | 175   | 190   | 200          |
| 35,000  | 45,000          | 85    | 110   | 130   | 145   | 155   | 160          |
| 45,000  | 60,000          | 70    | 95    | 115   | 130   | 140   | 145          |
| 60,000  |                 | 55    | 75    | 90    | 100   | 105   | 110.         |

21 D. If a resident's adjusted gross income is less  
 22 than or equal to zero, the resident is entitled to a rebate in  
 23 the amount shown in the first row of the table appropriate for  
 24 the resident's number of exemptions.

25 E. Except as otherwise provided in this section,

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1 the secretary shall make an advance payment of the tax rebate  
2 provided for in this section not later than December 15, 2005  
3 to each resident who filed a 2004 New Mexico personal income  
4 tax return. Advance payment amounts shall be based on the  
5 number of federal exemptions allowable for federal income tax  
6 purposes on the 2004 New Mexico personal income tax return of  
7 the resident for whom a rebate is allowed pursuant to this  
8 section and on the federal adjusted gross income reported by  
9 that resident on the same return. A resident who does not  
10 receive an advance payment may claim the tax rebate provided  
11 for in this section on that resident's 2005 New Mexico personal  
12 income tax return based on the federal adjusted gross income  
13 and on the number of federal exemptions allowable for federal  
14 income tax purposes reported on that return.

15 F. The department shall not make an advance payment  
16 of the tax rebate provided for in this section to a person who:

17 (1) was an inmate of a public institution for  
18 more than six months during the 2004 taxable year; or

19 (2) was not a resident of New Mexico on the  
20 last day of the 2004 taxable year.

21 G. The department shall not allow a tax rebate  
22 provided in this section to a person who claims the rebate on  
23 that person's 2005 personal income tax return, but:

24 (1) was an inmate of a public institution for  
25 more than six months during the 2005 taxable year; or

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1 (2) was not a resident of New Mexico on the  
2 last day of the 2005 taxable year.

3 H. The secretary may adopt regulations necessary to  
4 administer the provisions of this section.

5 I. For purposes of this section, "dependent" means  
6 "dependent" as defined by Section 152 of the Internal Revenue  
7 Code, but also includes any minor child or stepchild of the  
8 resident who would be a dependent for federal income tax  
9 purposes if the public assistance contributing to the support  
10 of the child or stepchild was considered to have been  
11 contributed by the resident. "

12 Section 2. APPROPRIATION.--Five hundred thousand dollars  
13 (\$500,000) is appropriated from the general fund to the  
14 taxation and revenue department for expenditure in fiscal years  
15 2006 and 2007 to administer the tax rebate provided for in  
16 Section 1 of this 2005 act. Any unexpended or unencumbered  
17 balance remaining at the end of fiscal year 2007 shall revert  
18 to the general fund.

19 Section 3. APPLICABILITY.--The provisions of this act  
20 apply to the taxable year beginning on January 1, 2005 and  
21 ending on December 31, 2005.

22 Section 4. EMERGENCY.--It is necessary for the public  
23 peace, health and safety that this act take effect immediately.